

COMMITTEE ON GOVERNMENT REFORM

TOM DAVIS, CHAIRMAN



NEWS RELEASE

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Davis Statement on GAO's Cigarette Smuggling Report

Washington, D.C. – In a report released today, *Cigarette Smuggling – Federal Law Enforcement Effort and Seizures Increasing (GAO-04-641)*, the General Accounting Office (GAO) has found that counterfeit and smuggled cigarettes entering the U.S. present a growing problem. Chairman Tom Davis issued the following statement today on the findings of that report:

“Today’s GAO report makes clear that illegal cigarette smuggling has ramifications that go far beyond the loss of federal and local tax revenue – although that, too, is a sizable problem.

“The clandestine network of cigarette smuggling is perhaps a multi-billion dollar a year industry, with some smugglers having ties to terrorist groups and others using the profits from smuggling to fund other illegal activities. As cigarette taxes increase, so do the incentives for criminals to smuggle cigarettes in the United States.

“The good news is that federal border and law enforcement officials are conducting larger, more complex and longer-term investigations to stem the tide of cigarette smuggling, and they are seizing an increasing number of smuggled and counterfeit cigarettes as criminals attempt to bring them into the United States.”

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